

Message Text

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ACTION CU-03

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FM AMEMBASSY HELSINKI

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TAGS: SCUL PFOR FI

SUBJ: FINNISH INITIATIVE FOR LONG TERM FINANCING OF
EXCHANGES

REF: HELSINKI 1274

1. AMBASSADOR VRJO VAANANEN, FOREIGN MINISTRY DIRECTOR OF ADMINISTRATIVE AFFAIRS, CALLED ME TO THE FOREIGN OFFICE ON JUNE 26 TO PROUDLY PRESENT ME WITH THE FINNISH AGREEMENT ON THE SCHOLARSHIP PROGRAM WHERE THE REMAINING FINNISH WAR DEPT WOULD BE PAID IN LUMP SUM FOR THE PERPETUATION OF THE FUND. THE ENTIRE DOCUMENT FOLLOWS. THERE IS AN URGENCY ABOUT THIS MATTER, FIRSTLY BECAUSE OF THE BUDGETARY PROCESS IN FINLAND WHICH IS NOW PENDING AND, SECONDLY, FOR THE HOPED FOR COMPLETION OF ARRANGEMENTS PRIOR TO THE CSCE CONFERENCE.

2. IT IS HOPED THAT THIS CAN BE KEPT CONFIDENTIAL FOR AN ANNOUNCEMENT BY PRESIDENTS FORD AND KEKKONEN AT THE TIME OF THE CONFERENCE OR OTHERWISE AS SUGGESTED IN REFTEL. WOULD APPRECIATE EXPEDITIOUS TREATMENT OF THIS MATTER. REQUEST ADVISE RE DATE USG RESPONSE LIKELY BE READY.

3. TEXT OF FINNISH AGREEMENT. "YOUR EXCELLENCY. I HAVE THE HONOR TO REFER TO AGREEMENT BETWEEN THE GOF AND THE USG, SIGNED JULY 2, 1952, AS AMENDED, FOR FINANCING

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CERTAIN EDUCATIONAL ACTIVITIES IN THE TWO COUNTRIES.

I HAVE ALSO THE HONOR TO REFER TO RECENT CONVERSATIONS BETWEEN REPRESENTATIVES OF OUR TWO GOVERNMENTS DURING WHICH IT WAS NOTED THAT IN RECENT YEARS, EDUCATIONAL EXCHANGE ACTIVITIES BETWEEN OUR COUNTRIES HAVE BEEN FUNDED LARGELY BY REPAYMENTS OF FINNISH DEBT TO THE USG, INCURRED UNDER ACT OF CONGRESS, APPROVED FEBRUARY 25, 1919, AND THAT REPAYMENT OF THIS DEBT WILL BE COMPLETED IN 1984.

"DURING THE AFOREMENTIONED CONVERSATIONS UNDERSTANDING WAS REACHED THAT BOTH THE GOF AND USG DESIRE TO ENSURE THE CONTINUATION BEYOND YEAR 1984 OF EDUCATIONAL EXCHANGE ACTIVITIES PROVIDED BY THIS AGREEMENT. CONSEQUENTLY, THE GOF PROPOSED THAT A PERMANENT BINATIONAL TRUST FUND BE ESTABLISHED, FROM THE ANNUAL PROCEEDS OF WHICH EDUCATIONAL EXCHANGE ACTIVITIES BETWEEN OUR TWO COUNTRIES CAN BE FINANCED IN PERPETUITY, AND THAT BASIC ENDOWMENT FOR THIS TRUST FUND BE DERIVED FROM PAYMENT IN FULL IN THE YEAR 1976 OF REMAINING 1919 DEBT, INCLUDING INTEREST, BY THE GOF TO THE USG, AND FROM GRANTING BY THE USG OF TOTAL DEBT PAYMENT TO THE TRUST FUND. IN ORDER TO ACCOMPLISH THIS OBJECTIVE, IT IS PROPOSED HERewith THAT AGREEMENT OF JULY 2, 1952, AS AMENDED, BE AMENDED FURTHER AS FOLLOWS: (1) ADDING TWO PARAGRAPHS TO THE PREAMBLE, AS FOLLOWS: "'CONSIDERING THAT EDUCATIONAL EXCHANGE ACTIVITIES BETWEEN FINLAND AND USA HAVE BEEN FINANCED IN RECENT YEARS LARGELY THROUGH REPAYMENT OF FINNISH DOLLAR DEBT TO THE USA INCURRED UNDER THE ACT OF CONGRESS APPROVED FEBRUARY 25, 1919, WHICH DEBT WILL BE PAID IN FULL IN YEAR 1984; AND CONSIDERING THAT BOTH GOF AND USG DESIRE TO ENSURE CONTINUATION BEYOND 1984 OF EDUCATIONAL EXCHANGE ACTIVITIES PROVIDED BY THIS AGREEMENT, (2) MODIFYING THE FIRST SENTENCE OF ARTICLE 1 TO READ AS FOLLOWS: 'THERE SHALL BE ESTABLISHED A FOUNDATION TO BE KNOWN AS THE US EDUCATIONAL FOUNDATION IN FINLAND (HEREINAFTER DESIGNATED AS 'THE FOUNDATION') WHICH SHALL BE RECOGNIZED BY THE GOF AND THE USG AS AN ORGANIZATION CREATED AND ESTABLISHED FOR ADMINISTRATION OF AN EDUCATIONAL EXCHANGE PROGRAM TO BE FINANCED BY FUNDS MADE AVAILABLE TO FOUNDATION BY GOF OR THE USG, OR BY TRUST FUND AS DESCRIBED IN PARA 2 OF THIS ARTICLE.'" (3) INSERTING AFTER FIRST PARA OF ARTICLE 1 AS NEW PARA AS LIMITED OFFICIAL USE

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FOLLOWS: 'THERE SHALL ALSO BE ESTABLISHED A BINATIONALLY ADMINISTERED TRUST FUND NAMED 'FINLAND-AMERICA EDUCATIONAL TRUST FUND' (HEREINAFTER DESIGNATED AS 'THE TRUST FUND') FROM THE ANNUAL PROCEEDS OF WHICH WILL BE FINANCED EDUCATIONAL EXCHANGE ACTIVITIES BY FOUNDATION. THE BASIC ENDOWMENT OF TRUST FUND WILL BE CREATED BY GOF PAYING IN FULL IN YEAR 1976 IT REMAINING DEBT OF 1919, INCLUDING INTEREST, TO USG, AND BY THE USG

GRANTING THIS TOTAL PAYMENT TO TRUST FUND. THE TRUST FUND SHALL BE UNDER SUPERVISION OF FOUR-MEMBER BOARD OF DIRECTORS; TWO MEMBERS SHALL BE APPOINTED AND MAY BE REMOVED BY US AMBASSADOR TO FINLAND; TWO MEMBERS SHALL BE APPOINTED AND MAY BE REMOVED BY GOF. THE TRUST FUND SHALL BE ADMINISTERED IN ACCORDANCE WITH BY-LAWS AS APPROVED BY REPRESENTATIVES OF TWO GOVERNMENTS AT TIME OF ESTABLISHING TRUST FUND.' (4) MODIFYING ITEMS (1) AND (2) AT END OF ARTICLE 1, TO READ AS FOLLOWS: '(1) FINANCING STUDIES, RESEARCH, INSTRUCTION AND OTHER EDUCATIONAL ACTIVITIES, AND NECESSARY TRAVEL, OF OR FOR CITIZENS OF THE USA IN SCHOOLS AND INSTITUTIONS OF HIGHER LEARNING LOCATED IN FINLAND; AND (2) FINANCING STUDIES, RESEARCH, INSTRUCTION AND OTHER EDUCATIONAL ACTIVITIES, AND NECESSARY TRAVEL, OF OR FOR CITIZENS OF FINLAND IN SCHOOLS AND INSTITUTIONS OF HIGHER LEARNING IN CONTINENTAL US, HAWAII, ALASKA (ALEUTIAN ISLANDS), PUERTO RICO, AND THE VIRGIN ISLANDS.' (5) AMENDING ARTICLE 8 BY INSERTING A NEW PARA AFTER THE FIFTH PARA, TO READ AS FOLLOWS: 'IN ADDITION TO FUNDS PROVIDED FOR IN PARAS ONE, THREE, FOUR AND FIVE ABOVE, AMOUNTS ANNUALLY RECEIVED FROM AFOREMENTIONED TRUST FUND SHALL BE USED FOR PURPOSES OF THIS AGREEMENT.' UPON RECEIPT OF A NOTE FROM YOUR EXCELLENCY INDICATING THAT FOREGOING PROVISIONS ARE ACCEPTABLE TO THE USG, THE GOF WILL CONSIDER THAT THIS NOTE AND YOUR REPLY THERETO CONSTITUTE AN AGREEMENT BETWEEN THE TWO GOVERNMENTS ON THIS SUBJECT, THE AGREEMENT TO ENTER INTO FORCE ON DATE OF YOUR NOTE IN REPLY. ACCEPT, YOUR EXCELLENCY, ASSURANCES OF MY HIGHEST CONSIDERATION. SIGNED: OLAVI J. MATTILA, MINISTER FOR FOREIGN AFFAIRS." AUSTAD

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